

Message Text

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INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00
INR-07 NSAE-00 L-03 H-01 DODE-00 PRS-01 EB-07
OMB-01 COME-00 TRSE-00 STR-04 FEA-01 CEA-01 SCS-03
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FM SECSTATE WASHDC
TO AMEMBASSY BERLIN IMMEDIATE
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USBERLIN
USMISSION NATO

C O N F I D E N T I A L STATE 140489

BELGRADE FOR USDEL CSCE

E.O. 11652:GDS

TAGS: PGOV, EEWT, CGEN, GE, US

SUBJECT: GDR STATE SECRETARY FOR FOREIGN TRADE'S
DISCUSSIONS AT THE DEPARTMENT

1. SUMMARY: GERHARD BEIL, GDR STATE SECRETARY FOR
FOREIGN TRADE MET SEPARATELY WITH UNDER SECRETARY FOR
ECONOMIC AFFAIRS COOPER AND WITH EUR ASSISTANT SECRETARY
DESIGNATE VEST JUNE 14 FOR DISCUSSIONS ON US-GDR TRADE.
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BEIL'S MEETING WITH UNDER SECRETARY COOPER FOCUSED
PRIMARILY ON GDR REQUEST TO ESTABLISH OFFICES IN THE US
FOR GDR FOREIGN TRADE ORGANIZATIONS (FTO'S). BEIL WAS
TOLD THAT THE DEPARTMENT IS NOW WILLING TO CONSIDER SUCH
REQUESTS FAVORABLY, WITHOUT LINKING THEM TO AGREEMENT ON A
CONSULAR CONVENTION. ASSISTANT SECRETARY DESIGNATE
VEST USED HIS MEETING WITH BEIL TO NOTE THAT GDR

ACTION IN AND AROUND BERLIN CAN AND WILL INFLUENCE THE
USG'S ATTITUDE TOWARD THE GDR IN BILATERAL MATTERS,
INCLUDING A POLITICAL CLIMATE CONDUCTIVE TO EXPANDING TRADE.
END SUMMARY.

2. GERHARD BEIL, GDR STATE SECRETARY FOR FOREIGN TRADE
CALLED ON UNDER SECRETARY FOR ECONOMIC AFFAIRS COOPER
JUNE 14 AND PRESENTED A VERY LOW-KEY APPEAL FOR EXPANDED
US-GDR TRADE. BEIL EMPHASIZED SEVERAL TIMES THAT THE GDR
HAD NO ILLUSIONS THAT ITS TRADE WITH THE US WOULD EVER

REPRESENT A SIGNIFICANT PROPORTION OF OUR OVERALL FOREIGN
TRADE. NEVERTHELESS, BEIL NOTED THAT THE GDR WISHES TO
CONCENTRATE ON THE MACHINE TOOL, CHEMICAL AND AGRICULTURAL
AREAS, WHERE TRADE POSSIBILITIES DEFINITELY EXIST.

3. BEIL EXPLAINED THAT THE PRIVATE US-GDR TRADE AND
ECONOMIC COUNCIL WAS HOLDING ITS FIRST SESSION IN
WASHINGTON THIS WEEK AND HOPED THAT SPECIFIC GOALS WOULD
BE SET FOR IMPROVING TRADE BETWEEN THE GDR AND THE US
FIRMS PARTICIPATING IN THE COUNCIL. BEIL WAS OBVIOUSLY
PLEASED BY THE INTEREST IN THE COUNCIL DISPLAYED BY THE
US SIDE, NOTING THAT DAVID ROCKEFELLER AND THE PRESIDENT
OF THE UNION OIL COMPANY, AMONG OTHERS, WOULD ATTEND SOME
OF THE GROUPS'S SESSIONS.

4. UNDER SECRETARY COOPER NOTED THAT THE USG WAS
INTERESTED IN SEEING HOW THE COUNCIL'S ACTIVITIES WOULD
DEVELOP, POINTING OUT THAT THE USG PLAYS A RELATIVELY
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MINOR ROLE IN INTERNATIONAL TRADE SINCE PRIVATE US FIRMS
DEAL DIRECTLY WITH THEIR FOREIGN PARTNERS.

5. TURNING TO INTER-GOVERNMENTAL EFFORTS TO FACILITATE
TRADE, BEIL SAID THAT THE GDR WOULD LIKE TO ESTABLISH
TRADE OFFICES IN THE US, NOTING THAT THE GDR HAD
PERMITTED DOW CHEMICAL TO OPEN AN OFFICE IN EAST BERLIN.
DEPUTY ASSISTANT SECRETARY VINE RESPONDED THAT WE
COULD NOT CONSIDER THE ESTABLISHMENT OF AN OFFICIAL GDR
TRADE REPRESENTATION OFFICE IN THE US WITHOUT HAVING
REACHED AGREEMENT ON A CONSULAR AGREEMENT. HOWEVER, WHEN
BEIL ASKED WHETHER FTO'S MIGHT BE PERMITTED TO OPEN
OFFICES, VINE SAID THAT THE DEPARTMENT WOULD BE PREPARED
TO RESPOND FAVORABLY TO A FORMAL REQUEST FOR AN FTO OFFICE.
VINE THEN ADDED THAT ALTHOUGH WE WERE NOT NOW LINKING
THE FTO OFFICES WITH THE CONSULAR CONVENTION, WE STILL
EXPECTED THE GDR TO TAKE ACTION TOWARD ACHIEVING AGREEMENT
ON THE CONSULAR CONVENTION.

5. BEIL WAS UNDERSTANDABLY PLEASED BY THIS DEVELOPMENT AND SAID THAT THE GDR ALREADY HAD AN OUTSTANDING APPLICATION FOR THE OPENING OF AN OFFICE BY THE WMW MACHINE TOOL FTO. BOTH COOPER AND VINE ASSURED BEIL THAT THE APPLICATION WOULD BE GIVEN EARLY ATTENTION. IN REGARD TO THE CONSULAR AGREEMENT, BEIL PROFESSED NOT TO HAVE REALIZED THAT THIS PRESENTED A PROBLEM FOR THE US AND SAID THAT PERHAPS SOMETHING COULD BE DONE ABOUT IT BACK IN BERLIN.

6. FOLLOWING HIS MEETING WITH UNDER SECRETARY COOPER, BEIL MET WITH EUR ASSISTANT SECRETARY VEST. BEIL REITERATED HIS VIEWS ON THE DEVELOPMENT OF THE ACTIVITIES OF THE JOINT TRADE AND ECONOMIC COUNCIL AND SAID THE GDR WAS OPTIMISTIC THAT BILATERAL TRADE AND ALSO BILATERAL ARRANGEMENTS REGARDING TRADE WITH THIRD COUNTRIES WOULD EXPAND.
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7. VEST USED THIS OPPORTUNITY TO STRESS IN A LOW-KEY, BUT FIRM, MANNER THAT THE GDR SHOULD CLEARLY UNDERSTAND THAT TRADE RELATIONS WERE BUT PART OF THE OVERALL RELATIONSHIP BETWEEN THE US AND THE GDR AND THAT TRADE COULD BE AFFECTED BY OTHER MATTERS WHICH IN TURN TOUCHED UPON THE BASIS OF OUR RELATIONS. VEST POINTED OUT THAT THE RECENT GDR MOVE TO RESOLVE OUTSTANDING HUMANITARIAN CASES WAS A WELCOME DEVELOPMENT AND WOULD HAVE A BENEFICIAL IMPACT ON US PERCEPTIONS AND ATTITUDES TOWARDS THE GDR. ON THE OTHER HAND, THE US CONTINUES TO SUPPORT WITH FULL VIGOR FOUR POWER RIGHTS AND RESPONSIBILITIES IN BERLIN, AND THE GDR SHOULD KEEP THIS IN MIND WHEN CONSIDERING ITS EFFORTS TO UPGRADE TRADE RELATIONS WITH THE US, BECAUSE EVENTS IN BERLIN CAN HAVE A DIRECT EFFECT ON OUR OVERALL RELATIONS.

8. BEIL CLEARLY GOT THE POINT IN REGARD TO BERLIN AND REPEATED THE STANDARD GDR ARGUMENT THAT THE GDR WAS FIRMLY COMMITTED TO PEACE AND SECURITY IN EUROPE AND WOULD LIVE UP TO THE OBLIGATIONS OF THE HELSINKI FINAL ACT AND THE QUADRIPARTITE AGREEMENT. NEVERTHELESS, THE GDR COULD NOT TOLERATE INTERFERENCE IN ITS INTERNAL AFFAIRS, BEIL ADDED--ALTHOUGH STRESSING THAT HE WAS NOT REFERRING TO THE US.

9. VINE THEN RAISED AGAIN THE QUESTION OF THE CONSULAR CONVENTION AND EXPLAINED THAT AGREEMENT ON THIS WOULD BENEFIT BOTH SIDES AND THAT IT ALSO WOULD HELP IMPROVE OUR RELATIONS. VINE STRESSED THAT OUR INTEREST IN OBTAINING AGREEMENT ON A CONSULAR CONVENTION WAS BASED

ON PURELY PRACTICAL CONSIDERATIONS AND THAT POLITICAL
CONSIDERATIONS ARE NOT INVOLVED. BEIL RESPONDED
THAT HE WOULD CONVEY THE US VIEWS ON THE ABOVE POINTS
BACK TO BERLIN.

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10. FOR BONN: US BONN GROUP REPRESENTATIVE MAY BRIEF
BONN GROUP ON BEIL'S DISCUSSIONS DRAWING ON ABOVE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, DIPLOMATIC DISCUSSIONS
Control Number: n/a
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Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: JKWARD:DHT
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Subject: GDR STATE SECRETARY FOR FOREIGN TRADE'S DISCUSSIONS AT THE DEPARTMENT
TAGS: PGOV, EEWT, CGEN, GC, US, (BEIL, GERHARD)
To: BERLIN
Type: TE
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